

## Message Text

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PAGE 01 STATE 067572

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ORIGIN AF-18

INFO OCT-01 ISO-00 AEC-11 AID-20 CEA-02 CIAE-00 CIEP-02

COME-00 DODE-00 EB-11 FEA-02 FPC-01 H-03 INR-10

INT-08 L-03 NSAE-00 NSC-07 OMB-01 PM-07 RSC-01 SAM-01

SCI-06 SP-03 SS-20 STR-08 TRSE-00 /146 R

DRAFTED BY AF/C:RRSTRAND:GJB

APPROVED BY AF/C:HJCOHEN

AF:JJBLAKE

----- 074201

R 032350Z APR 74

FM SECSTATE WASHDC

TO AMEMBASSY KINSHASA

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E.O. 11652: N/A

TAGS: ENRG, BTRA, CG

SUBJECT: OIL MARKETING NATIONALIZATION: TEXACO

1. CAL MINOR, TEXACO VICE PRESIDENT INTERNATIONAL SALES FOR LATIN AMERICA AND WEST AFRICA, CALLED ON ACTING ASSISTANT SECRETARY BLAKE APRIL 2 TO DISCUSS TEXACO'S POSITION IN ZAIRE.

2. MINOR CALLED SITUATION BLEAK, SAID PETROZAIRE HAD NOW ORDERED COMPANY SIGNS DOWN. TEXACO PREPARED OFFER PETROZAIRE 50 PERCENT EQUITY IN TEXACO ZAIRE PLUS ASSISTANCE WITH CRUDE AND PRODUCTS PROCUREMENT, TRANSPORTATION AND TECHNICAL OPERATIONS, BUT IS NOT HOPEFUL SUCH AN OFFER WOULD BE ACCEPTED. MINOR SAID MOBIL, WITH LUB AND CHEMICAL OPERATIONS, HAD MORE TO OFFER ZAIRE THAN TEXACO, BUT HE DOUBTED WHETHER EVEN MOBIL WOULD BE ABLE ACHIEVE ITS AIM OF CONTINUING CERTAIN OPERATIONS UNDER ITS OWN COLORS. PREDICTED ZAIRE MOVING

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PAGE 02 STATE 067572

TOWARD SINGLE MARKETING SYSTEM. HE SAW LITTLE INTEREST

FOR TEXACO IN SIMPLE MANAGEMENT CONTRACT, JOINTLY WITH OTHER COMPANIES, EXCEPT PERHAPS AS MEANS OF KEEPING FOOT IN DOOR IN ZAIRE PENDING DISCOVERY OF OIL IN TEXACO/SHELL CONCESSION AREA, WHERE HE SAID COMPANY HAS ALREADY SPENT "A LOT" OF MONEY.

3. PROTECTION OF COMPANY'S PRODUCTION INTEREST AND

POSSIBILITY THAT ZAIRE'S MARKETING TAKEOVER WILL HAVE DEMONSTRATION EFFECT ELSEWHERE IN AFRICA ARE TEXACO'S CHIEF CONCERNS. MINOR SAID HE HAD NO DOUBT ZAIRE WOULD PAY COMPENSATION.

4. BLAKE SAID EMBASSY WOULD BE HAPPY HELP ARRANGE AND PARTICIPATE IN MEETINGS FOR PRESENTATION OF TEXACO PROPOSAL. COMPANY WOULD, OF COURSE, HAVE TO MAKE ITS OWN CASE. HE SUGGESTED THAT, IN CALCULATING ITS APPROACH, COMPANY TRY TO ANTICIPATE WHAT ARRANGEMENTS ZAIRE WILL WANT AND NEED A FEW YEARS HENCE. IF COMPANY DECIDES IT HAS NO FUTURE IN MARKETING IN ZAIRE, IT COULD TRY TO WITHDRAW WITH GRACE TO PROTECT EXPLORATION/PRODUCTION INTERESTS.

5. MINOR SAID COMPANY WOULD DECIDE SOONEST HOW TO PROCEED AND INFORM DEPARTMENT IMMEDIATELY OF ITS PLANS. MENTIONED POSSIBILITY OF SENDING GENERAL MANAGER FOR WEST AFRICA TO MAKE PRESENTATION TO GOZ. RUSH

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** NATIONALIZATION, PETROLEUM INDUSTRY  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 03 APR 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** MorefiRH  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1974STATE067572  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** RRSTRAND:GJB  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D740075-0664  
**From:** STATE  
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**Line Count:** 88  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ORIGIN AF  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** MorefiRH  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 04 SEP 2002  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <04 SEP 2002 by boyleja>; APPROVED <10-Sep-2002 by MorefiRH>  
**Review Markings:**

Declassified/Released  
US Department of State  
EO Systematic Review  
30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** OIL MARKETING NATIONALIZATION: TEXACO  
**TAGS:** ENRG, BTRA, CG, TEXACO  
**To:** KINSHASA  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005